Nova Scotia

BUDGET ADDRESS

by Honourable Fred Kerr
Minister of Finance

NOVA SCOTIA
HOUSE OF ASSEMBLY

BUDGET HIGHLIGHTS

PROVINCE OF NOVA SCOTIA
1984-85

HONOURABLE GREG KERR
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1984 BUDGET HIGHLIGHTS

PROVINCE OF NOVA SCOTIA

DEFICIT REDUCTION

- 1983-84 deficit forecast to be $16.4 million less than was originally estimated.
- 1984-85 deficit is estimated to be nearly $38 million lower than 1983-84 forecast deficit -- more than double the reduction forecast to be achieved in 1983-84.
- 1984-85 deficit reduction is estimated to be $54.2 million or 21.8 percent less than the estimate presented one year ago.

JOB CREATION

- more than 22,000 jobs will be generated by a variety of government spending initiatives in 1984-85.
- Homeowners Incentive Grants will again be increased to a $2,000 maximum, retroactive to January 1, 1984.

HUMAN RESOURCE DEVELOPMENT

- expanded emphasis on manpower and training is reflected in budgets of Departments of Education and Labour and Manpower.
- a Youth Initiatives Office to co-ordinate youth-oriented activities of the provincial government will be created.
- a Youth Entrepreneurial Skills Program, whereby interest-free loans are provided for the establishment of long-term business ventures, will be implemented.

SERVICES FOR PEOPLE

- high quality services for people will continue to be provided.
- health and education spending in 1984-85 will total almost $1,728 for every Nova Scotian, representing more than $6,900 for a family of four.
- responsible social services with particular sensitivity to the needs of the elderly, disabled and unemployed will continue to be a major priority.

REVENUES

- 1984-85 will be the first year that the province will receive direct revenues from offshore exploration activity pursuant to the Canada-Nova Scotia Offshore Agreement.
- these revenues relate to sales tax revenues that have accrued to the province since the 1982 signing of the agreement.
- all provincial tax rates will remain the same with the exception of the tobacco tax rate.
- effective midnight tonight, the tax rate on cigarettes will be raised from 1.4 cents per cigarette to 2 cents per cigarette and the tax on other tobacco products will be increased from 35 percent to 50 percent of the retail price.

RESEARCH AND DEVELOPMENT

- a provincial corporate income tax credit will be extended for research and development expenditures by Nova Scotia industries.
- a sales tax exemption on machinery and equipment used in research and development will be implemented.

NOVA SCOTIA
HOUSE OF ASSEMBLY
MARCH 23, 1984

BUDGET ADDRESS

PROVINCE OF NOVA SCOTIA
1984-85

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BUDGET ADDRESS

PROVINCE OF NOVA SCOTIA

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INTRODUCTION

I am privileged to present to the Legislature today the details of the 1984 Budget for the Province of Nova Scotia.

The document I am about to outline reflects this government's continuing commitment to responsible financial and economic planning. It represents a continuation of the management approach consistently and effectively used by this government over the past few years.

The theme of this Budget is deficit reduction and the goal of this government is controlled but effective spending leading to a balanced budget.

This Budget moves us in that direction.

I am pleased to announce that the 1983-84 deficit is forecast to be $16.4 million less than was estimated.

And today, consistent with our stated objectives, the government estimates a reduction of nearly $38 million in the 1984-85 deficit from the previous year's forecast.

Deficit reduction achieved

Our commitment has resulted in the 1984-85 estimated deficit being $54.2 million or 21.8 percent less than the estimate presented just one year ago.

This is a major achievement.

Nova Scotia, Canada and the entire western world have recently undergone an economic recession comparable to the so-called "hungry thirties", resulting in severe financial pressures on all governments. Accordingly, every provincial government has had substantial deficits in recent years. The federal government has incurred massive deficits. We in Nova Scotia have managed to hold our deficit, on a per capita basis, in the middle range among the provinces.

Nova Scotia led country in economic recovery

Indeed, according to the Conference Board of Canada, this province has weathered the recession better than most other provinces and, last year, led the country in a concerted thrust toward economic recovery.

Two key factors have contributed to Nova Scotia's success in the face of a major and worldwide economic challenge. They are the will and adaptability of Nova Scotians themselves, and the strong economic leadership provided by this government.

The successes we have achieved during some extremely difficult economic times have convinced us that we must not waver from the strategies established in recent years by this government.

We remain committed to sound fiscal management which will result in a continuing reduction in the deficit. Furthermore, we will again ensure that our initiatives are sensitive to the needs of all Nova Scotians as we strive together to take full advantage of the recovery now underway. We will continue to provide a high standard of health, education and social services.

I have referred to the recovery as being underway. It is by no means complete. It will not be complete until unemployment has been substantially reduced. However, it should be noted that while the rate of unemployment nationally increased by almost one percentage point, there was no increase in the unemployment rate in Nova Scotia during 1983.

Striving for immediate and long-term solutions to unemployment

This Budget addresses the unemployment issue. It does so on the logical premise that the only effective way to lower unemployment rates is to strive for a long-term solution to this serious problem. As we have consistently stated in the past, the government can best achieve this goal by implementing policies which create a climate conducive to private sector investment. This, in turn, results in the creation of viable, productive and lasting employment opportunities.

Last year the Budget outlined a comprehensive employment and economic development strategy which proved extremely successful in preventing our unemployment rate from increasing as happened elsewhere in Canada. We remain committed to this strategy.

The White Paper on Economic Development recently announced by our government builds on this strategy. It is the product of intensive consultation and co-operation between the private sector and our government.

The pursuit of these policies and adherence to these principles will allow government and private enterprise alike to take best advantage of the current economic recovery and of the considerable opportunities available to Nova Scotians over the next few years.

Before I highlight the specifics of the 1984-85 Budget, I would like to review Nova Scotia's economic and fiscal position.

ECONOMIC ENVIRONMENT

There can be no doubt that Nova Scotia's economic performance during 1983 was extremely gratifying. Indeed, the province's rate of economic growth exceeded that of all other provinces last year.

Taking full advantage of early and continuing recovery trends

As reported by the Conference Board of Canada, Nova Scotia withstood the recession better than most other parts of the country. We were able to take full advantage of early and continuing recovery trends. Without a doubt, offshore exploration activity played a significant role in this exceptional performance.

More specifically, the province's achievements last year dramatically outpaced the national performance on a number of economic fronts. For example:

- employment increased by 2.2 percent in Nova Scotia compared to only 0.8 percent nationally;
- the province's unemployment rate remained at the previous year's level compared to an increase of almost 1 percentage point experienced nationally over the same period;
- personal income per capita in Nova Scotia showed a gain in real terms of 0.7 percent compared to a real decline of 1.2 percent nationally;
- capital investment in the province realized a substantial 19.4 percent increase compared to a 3.0 percent decline nationally; and
- housing starts were up by 54 percent in Nova Scotia last year while across Canada as a whole residential starts increased by only 29 percent.

All these factors, particularly those relating to capital investment both onshore and offshore, reflect private sector confidence in our economy and the leadership shown by this government.

Private sector confidence in our economy

The prospects for 1984 continue to be promising. For many other provinces, this is the year in which their economic growth will begin to reflect the recovery in a significant way.

On the other hand, economic recovery in Nova Scotia has been vigorously underway for at least the past 12 months. The strength of our current economic outlook, based on a fiscal year's head start in the recovery process, is evidenced by the following:

- employment is expected to increase in 1984 by 2.8 percent over last year's level and is anticipated to again exceed national average growth of 2.1 percent;
- the province's unemployment rate is forecast to decline this year by 0.8 percentage points;
- real increases in personal income per capita are again projected to be experienced by Nova Scotians;
- continued confidence in the Nova Scotia economy should again be demonstrated by sustained levels of planned capital investment; and
- offshore activity will continue to be a significant factor in the province's impressive economic outlook.

These positive signs tell us that the government is on the right track in terms of its management approach. When the results of our fiscal performance for 1983-84 are examined, the government is convinced the analysis will show that its policies are working to ensure the long-term economic well-being of Nova Scotians.

Government policies are working

FISCAL SITUATION 1983-84

The government's fiscal and economic strategies outlined in last year's Budget provided the climate for Nova Scotia's exceptional economic performance in 1983-84. Determined leadership and sound management led to a marked improvement in both the reduction of the forecast deficit and total financial requirements. The numbers speak for themselves.

- The operating deficit for 1983-84 now stands at $232.1 million, down by $16.4 million from the original estimate;
- Total budgetary requirements and net increases in capital advances are now forecast to be $496.5 million, an impressive $51.0 million lower than estimated in last year's Budget; and
- Ordinary expenditures are within $10.0 million of last year's projections, representing a variance of less than half of one percent. This emphasizes the success of the government's management policies in controlling the size of the provincial public sector and minimizing the day-to-day costs of government operations.

These improvements in the province's position are clear evidence that the fiscal strategies outlined in last year's Budget were both responsible and decidedly sensitive to the economic climate. In accordance with our continued commitment:

Fiscal strategies responsible and sensitive to economic climate

- The government is on a planned course of deficit reduction — reduction of

deficits which were essential during recent hard times to protect the health, education and social service programs so important to our citizens;

- The level of these essential services provided Nova Scotians has been preserved during this difficult period — despite pressure to reduce substantially or eliminate the deficit by introducing major cutbacks in these critical program areas;
- As evidenced by this economic and financial review, government policies are successfully providing the correct mix of incentives for economic growth and sound management in government operations.

BUDGET STRATEGY AND OBJECTIVES

In establishing the strategy for this year's Budget, the government is convinced that it must not stray from its stated objectives.

Providing a stable policy base for investment decisions

As we have consistently said, the government's role during this period of economic recovery is to provide a stable policy base from which the private sector can make sound and important investment decisions.

For this reason, the government will stay on its established course.

- The government will continue with deficit reduction, leading to the goal of deficit elimination.
- Responsible management of day-to-day operations will continue.
- The provision of high quality health care, education and social services in the most efficient and effective manner possible will also be ensured.
- Development and job creation initiatives which are sensitive to economic realities and long-term development needs will be expanded.

I know there are those who will argue that a continuation of this successful strategy is not enough. However, proof that this strategy is working is in the facts I have just presented.

A determined adherence to the criteria I have outlined will enhance the already strong investor confidence in our economy. It will also ensure that the citizens and industries of our province are able to take full advantage of Nova Scotia's development opportunities.

FISCAL PLAN 1984-85

As I mentioned earlier, the theme of this Budget is deficit reduction. Projections for the fiscal year 1984-85 demonstrate the government's determination.

Continued deficit reduction

The current account deficit is estimated to be $194.3 million which is 16.3 percent less than the 1983-84 forecast deficit. This $37.7 million reduction is more than double the reduction forecast to be achieved in 1983-84. This is the second consecutive year that this government has been able to improve the deficit position.

All provincial taxation rates will remain the same with the exception of the tobacco tax. Effective midnight tonight, the tax rate on cigarettes will be raised from 1.4 cents per cigarette to 2

cents per cigarette and the tax rate on other tobacco products will be increased from 35 percent to 50 percent of the retail price. I wish to emphasize that such increases will mean that our tobacco tax rates are still among the lowest in the country.

First direct revenues from offshore

The upcoming fiscal year marks the first time that the province will receive direct revenues from offshore activities pursuant to the Canada-Nova Scotia Offshore Agreement. These monies relate to sales tax revenues that have accrued to Nova Scotia as a result of exploration off our coast since the 1982 signing of the agreement.

I want to emphasize that these direct revenues, coupled with the economic activity we are experiencing as a result of offshore exploration, highlight the importance of the historic signing of the offshore agreement to the future economic well-being of the province.

Significant revenue and employment benefits from offshore activity

As an indication of the significance of the offshore, I might point out that direct benefits to the Nova Scotia economy from offshore activity totalled $150 million in 1983. Furthermore, direct and indirect employment provided through this activity last year stood at 3,800 jobs. This is expected to increase to 4,500 in 1984.

I want to clearly state the following fact ... all this activity, all these benefits, and all these jobs are a direct result of the agreement successfully negotiated and signed by this government.

EXPENDITURE PROGRAM

The province's expenditure program will continue to be guided by prudent management restraint policies. We intend to stand by the priority commitments established in previous years and will again ensure that Nova Scotians are provided with high quality essential public services.

Devoting substantial funding to job creation programs

At the same time, the government recognizes the seriousness of the unemployment situation presently confronting every province in Canada. We will continue to devote substantial funding to a variety of job creation programs.

We recognize and stand by the right of those most in need of employment to turn to government for assistance. We recognize too that one of the basic precepts of democracy is that society as a whole has a very real responsibility to its individual members in need.

Since coming to office, this government has consistently maintained that the key to creating employment over the long-term lies with the private sector.

This means that the government must create a climate conducive to private capital investment — investment which, in turn, generates permanent and productive employment opportunities for Nova Scotians.

The importance the government attaches to this employment strategy is evidenced by the recent White Paper on Economic Development entitled "Building Competitiveness". We are pleased with the co-operation and input we have received from the private sector in preparing this White Paper and welcome the opportunity to implement many of the proposals that have been put forward in our consultations.

Encouraging Nova Scotians to develop their own opportunities

As the White Paper pointed out and the Throne Speech repeated, this government will continue to do everything possible to stimulate private sector investment in the province. It will endeavour, as well, to ensure that Nova Scotians are able to identify and take full advantage of the opportunities that develop — and, more importantly, to develop their own opportunities. Accordingly, this Budget gives effect to many of the major government policy initiatives already announced in this regard.

JOB CREATION

Through a variety of direct job creation programs and more particularly through its capital expenditures, the government plays an important role in generating job opportunities for Nova Scotians.

Not only are people directly employed by public works programs, but many small businesses in the province and their respective workforces benefit from government capital spending.

Futhermore, the economy is left with expanded capital assets and economic infrastructure which helps attract new and important investment to the province.

For these reasons, the government is committing $263.8 million to a variety of public works and construction projects next year. This represents a substantial $64.7 million increase in our capital program from 1983-84. Approved projects throughout the province include major renovation, expansion and construction of hospitals, municipal capital projects and extensive highway construction and upgrading.

JOB CREATION
1984-85

	Funding ($ millions)	Jobs
Ordinary Expenditures		
Transportation	12.0	2,400
Summer Employment	7.1	3,000
Winter Employment	1.0	500
Primary Resource Sectors	3.8	600
Tourism	2.5	600
Economic Development	19.2	1,500
Other Programs	8.8	900
Capital Program		
Public Works and Construction	263.8	7,000
Economic Development	56.8	1,700
Capital Advances and Investments		
Industrial & Resource Development	68.1	2,600
Housing	44.1	1,400
Total Job Creation	**487.2**	**22,200**

It is anticipated that this aggressive public works and construction program will generate approximately 7,000 jobs in the province. When combined with direct job creation measures and economic development initiatives, as well as the employment generated by our capital advances and investments, the government is providing for the creation of over 22,000 jobs in Nova Scotia next year.

Creating over 22,000 jobs in Nova Scotia next year

These initiatives demonstrate the government's sensitivity to the unemployment dilemma facing many Nova Scotians. It also stresses our commitment to solving the unemployment problem over the long-term by providing the infrastructure necessary to encourage future economic development in the province.

HOUSING CONSTRUCTION. As we all know, the residential construction sector is very labour intensive and plays a key role in providing employment opportunities in the province. It supports employment in our primary resource sectors and helps many of our small businesses and contractors maintain their workforces.

The past year has seen a significant upsurge in residential construction activity in Nova Scotia. Housing starts in the province grew by 54 percent over this period, surpassing the 29 percent growth rate experienced nationally. This exceptional performance can be largely attributed to the province's $2,000 Homeowners Incentive Grants which were in effect for all of last year.

While we were anticipating in the 1983 Budget that this program would help to generate 5,000 new starts, I am pleased to report that 1983 housing starts actually approached 5,700 — a tremendous boost to employment in the province and an encouraging confirmation of the government's housing initiatives.

The Homeowners Incentive Grants have had an obviously beneficial impact on new residential construction activity. Accordingly, I am pleased to reinstate the maximum grant at the $2,000 level for all of 1984. I also wish to point out that the grant will apply retroactively to January 1, 1984. This means that new homes that have qualified for the grant since the first of the year will automatically be considered for an additional grant up to the $2,000 maximum.

Renewed support for homeowners

This, coupled with funds advanced by the Department of Housing for loans and construction programs, means that housing starts during 1984 could again surpass 5,000 units, thereby sustaining employment levels in this crucial sector of our provincial economy.

INDUSTRIAL AND RESOURCE DEVELOPMENT. Another important catalyst for long-term economic development and permanent job creation is the government's comprehensive industrial loans program. Despite the many new and varied industrial opportunities which will develop in the province over the next few years, particularly related to the offshore, the government recognizes the key role that is played by existing industries and the resource sectors in Nova Scotia.

There can be no doubt that the underlying strength of our provincial economy rests in the economic achievements of our diverse resource and industrial sectors. We cannot, and will not, forget that these sectors are vital to our future economic well-being.

Recognizing the key role of existing industries and resource sectors

For these reasons, the government will devote $68.1 million in 1984-85 to a variety of industrial and resource development loan programs. This represents an increase of $15.7 million over the funds forecast to be provided in 1983-84. This level of funding reflects the government's conviction that these industries are vital to the province's economic well-being.

RESEARCH AND DEVELOPMENT

As we all know, our industries must keep abreast, and indeed ahead, of technological advances if they are to remain competitive in both the domestic and international marketplace. Technical innovation is critical to improved productivity and the continued viability of many of our traditional industries.

Initiatives designed to encourage research and development in the province

The Budget contains financial provisions for many initiatives designed to encourage research and development in the province.

RESEARCH AND DEVELOPMENT TAX CREDIT. Beginning in the 1984 taxation year, the province intends to extend a Nova Scotia corporate income tax credit for industrial research and development. It is anticipated that this credit will meet the criteria for such programs under the Tax Collection Agreement with the Government of Canada. The tax credit would be equivalent to 10 percent of research and development expenditures eligible for the federal investment tax credit.

HEALTH SERVICES TAX EXEMPTION. As a further encouragement for industries to commit research and development expenditures, this Budget provides for a sales tax exemption on machinery and equipment used in research and development.

As well, the government will continue its support of the Nova Scotia Research Foundation Corporation. This organization plays a key role in providing applied research and development for industry.

Promotion of these critical research and development initiatives should encourage our industries to remain competitive in the face of technological change.

HUMAN RESOURCE DEVELOPMENT

While I have spent some time discussing the merits of long-term economic development to our future well-being, and the importance of private sector adaptation to new economic challenges, I must emphasize that the benefits from these developments will accrue to Nova Scotians only if we are prepared to adapt to changes in labour market conditions.

Developing Nova Scotia's human resource potential

The importance of developing the province's human resource potential was outlined in considerable detail in the White Paper on Economic Development. The Budget re-emphasizes the importance the government places on human resource development by giving financial effect to many of the initiatives already announced in this regard.

MANPOWER AND TRAINING. $2.5 million has been provided within the Department of Education for the co-ordination and combination of vocational and technical training in the province under the direction of a new Deputy Minister appointed specifically for this purpose.

Approximately $2.4 million of this sum will be dedicated to the establishment of new training programs for members of our workforce — programs especially designed to meet the industrial and development challenges I mentioned earlier.

At the same time, this Budget provides for a new Deputy Minister of Manpower whose special priority role is to identify, in conjunction with the private sector, the province's manpower needs in the years ahead.

Obviously, the functions of these two new Deputy Ministers will, and indeed must, dovetail as new identification of manpower requirements contributes to training program design.

Such specific attention to manpower needs will ensure that employment opportunities and business activity for Nova Scotians are not limited by skill shortages. It will enable us to maximize the important development prospects which lie ahead.

Providing initiatives for youth employment

YOUTH INITIATIVES. The Budget also provides funds for the creation of a Youth Initiatives Office within the Department of Labour and Manpower. This office will assess and recommend programs with respect to youth initiatives and will co-ordinate youth-oriented activities of the provincial government.

Through the Department of Development, a Youth Entrepreneurial Skills Program will also be implemented to allow non-student youth the opportunity to develop entrepreneurial skills through the provision of interest-free loans for the establishment of long-term business ventures.

I must stress that this is not a "make-work" project. Rather, it is designed to provide basic capital assistance for those young people willing and determined to develop their entrepreneurial talents.

These measures indicate this government's sensitivity to the particular employment problems facing the youth of this country and our resolve to tackle this serious problem.

All of the human resource initiatives announced in this Budget are evidence of the government's commitment to provide education and training opportunities relevant to an increasingly technical age. They once again illustrate our leadership in ensuring that Nova Scotians are prepared to take full advantage of the challenges ahead.

ESSENTIAL SERVICES FOR PEOPLE

While the Budget gives financial effect to many of the major government policies aimed at job creation and human resource development, it also continues to reflect the high priority the government attaches to providing quality public services to the people of this province.

Maintaining essential services for Nova Scotians

The health, education and social service expenditures which I am about to outline represent the government's on-going commitment to programs which make this province a better place in which to live and work.

We will continue to steadily improve the standard and level of such services within the constraints of sound fiscal management. We will balance cost-saving measures with more efficient and effective program delivery, thereby ensuring that Nova Scotians receive the maximum return for their tax dollar.

Since taking office in 1978, this government has undertaken to uphold the standards and expand the wide range of health and education services that are provided the people of this province. We are proud that we have successfully achieved this goal through both good times and bad.

In 1979-80, government operating expenditures on health and education combined totalled $787.9 million. This represented spending of approximately $936 for every man, woman and child in the province.

Since that time, health and education operating costs have nearly doubled to the point

GROSS ORDINARY EXPENDITURES ON HEALTH AND EDUCATION SERVICES

Year	Health ($,000)	Education ($,000)	Health per capita ($)	Education per capita ($)	Total per capita ($)
1979-80	388,079	399,826	461	475	936
1980-81	442,635	443,537	524	525	1,049
1981-82	538,809	548,543	636	647	1,283
1982-83	622,228	660,413	730	775	1,505
1983-84	701,107	712,140	816	829	1,645
1984-85	746,850	745,130	865	863	1,728
Total	**3,439,708**	**3,509,589**	**4,032**	**4,114**	**8,146**

where the government will be spending $1,728 for every Nova Scotian in 1984-85. On the basis of a family of four, government health and education expenditures next year will amount to more than $6,900 for that household.

Because these programs represent more than 50 percent of total operating expenditures, the government could have further reduced or even eliminated the deficit by introducing massive cutbacks in the health and education areas. In spite of recent financial pressures, the government chose not to compromise the provision of these high quality services in any way.

HEALTH CARE. We will continue to devote a substantial portion of the Budget to health care with Department of Health expenditures totalling $744.9 million in 1984-85. This funding covers a wide range of comprehensive health costs including:

- $488.1 million to be spent on overall hospital services; and
- $256.8 million for a variety of other health services such as medical care payments, children's dental care program and the Pharmacare Program.

Upgrading and expanding health care facilities

We will be embarking upon a capital program for the Department of Health totalling $37.2 million in 1984-85. Capital expenditures will not only be provided for renovations and improvements to many existing health care facilities but also for the construction and expansion of new hospital facilities.

Such capital projects not only provide Nova Scotians with much needed employment but also result in a substantial upgrading of the level of hospital care provided across all regions of the province.

EDUCATION. I have already outlined in considerable detail the measures that this government is undertaking to ensure that Nova Scotians are trained to take advantage of future economic opportunities. The degree of success of our training initiatives, however, is highly dependent upon the quality of basic education that is provided for young Nova Scotians.

Providing a firm educational foundation

A firm educational foundation must be a prerequisite to ensuring that our young people gain the most from whatever vocation they may wish to pursue.

In recognition of the importance of educating the young today to take advantage of opportunities tomorrow, expenditures of the Department of Education and Assistance to Universities will total $729.2 million in 1984-85. The devotion of more than one-quarter of the province's total operating budget to all types of education programs indicates the high priority this government places on developing human resources to reap maximum benefit from the economic opportunities which will develop.

Financial support for the elderly, disabled and unemployed

SOCIAL SERVICES. Despite improved economic conditions which have been experienced over the past year, the government will not waver from its commitment to look after citizens who continue to experience financial difficulties through no fault of their own. I am speaking here in particular about the elderly, the disabled and the unemployed.

In 1984-85 approximately $261 million will be provided to the Department of Social Services for a variety of social programs including:

- further financial aid to senior citizens;
- family benefit payments including the Pharmacare Program for disabled family benefit recipients; and
- municipal social assistance payments.

MUNICIPAL SERVICES

Substantial increase in grants to municipalities

Recognizing that the municipal governments — like other levels of government — have been experiencing difficult financial times over the past few years, this government will be providing a substantial increase in the grants to municipalities in 1984-85. In total, operating and capital grants to municipal units will amount to $79.6 million next year. This represents a 21.2 percent increase over funds provided in 1983-84.

Such funding should go a long way in easing the financial pressures on municipal units. It should assist in suppressing property tax increases that may be experienced by property owners in the coming year. Futhermore, it should ensure that the provision of municipal services is not compromised in any way because of difficult times.

CONCLUSION

The Budget has demonstrated a major theme — deficit reduction. But a budget is more than a cutting tool. It is also the mechanism which allows a government to direct and provide key services for people and to encourage an economy to grow, often in the face of considerable challenges.

So, while this Budget has reaffirmed the government's commitment to a program of deficit reduction, it has also emphasized the need and the will to maintain critically important health, education and other services along with the determination to enhance the developing climate of economic growth and employment in the private sector.

This Budget provides for a concerted thrust in these important areas.

It is consistent with the government's long-standing policy of encouraging the private endeavours of Nova Scotians, of protecting the services the people of this province need for family and personal security, and of placing us closer to the goal of deficit elimination.

Our policies are working. We remain committed to them .. and Nova Scotians will benefit.

FINANCIAL AND SUPPLEMENTARY INFORMATION

TO THE BUDGET ADDRESS 1984-85

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ESTIMATES 1984-85 SUMMARY

Budgetary Requirements - Summary

Schedule 1

ACTUAL 1982-83	FORECAST 1983-84		ESTIMATE 1984-85
		CURRENT ACCOUNT	
2,387,755,317	2,577,162,200	Ordinary Expenditures	2,770,234,400
173,600,095	186,024,000	Ordinary Recoveries	195,322,400
2,214,155,222	2,391,138,200	Net Ordinary Expenditures	2,574,912,000
1,945,465,008	2,136,991,600	Ordinary Revenues	2,380,581,800
268,690,214	254,146,600		194,330,200
19,667,417	22,078,000	Prior Years' Adjustments — Federal-Provincial Fiscal Arrangements	—
249,022,797	232,068,600	Excess of Current Operating Expenditures Over Revenues and Recoveries	194,330,200
45,068,137	51,943,500	Sinking Fund Installments and Serial Retirements	66,396,300
		CAPITAL ACCOUNT	
219,914,525	258,323,500	Expenditure Program	328,393,000
36,553,784	50,891,900	Recoveries	59,524,400
183,360,741	207,431,600	Net Capital Expenditures	268,868,600
68,690	37,500	Advance under the Appropriations Act	37,500
183,429,431	207,469,100		268,906,100
477,520,365	491,481,200	Net Budgetary Requirements	529,632,600
29,123,408	5,019,400	Net Increase in Advances and Investments	29,427,800
506,643,773	**496,500,600**		**559,060,400**

Ordinary Revenues - Summary

Schedule 2

ACTUAL 1982-83	FORECAST 1983-84	DEPARTMENT	ESTIMATE 1984-85
		ORDINARY REVENUES	
748,670	752,400	Agriculture and Marketing	807,400
16,328,186	20,949,000	Attorney General	24,345,000
2,683,963	2,877,300	Consumer Affairs	4,367,700
4,691	6,500	Culture, Recreation and Fitness	5,500
8,451	42,300	Development	34,300
2,769,406	3,246,200	Education	3,177,900
1,043,226	805,800	Environment	891,800
1,873,338,770	2,056,875,000	Finance	2,290,724,000
46,998	76,600	Fisheries	107,300
1,146,198	1,055,000	Government Services	979,000
927,438	1,010,000	Health	1,050,000
—	—	Housing	44,700
238,768	291,000	Labour and Manpower	332,300
5,741,823	5,640,500	Lands and Forests	6,006,000
2,211,563	2,165,000	Mines and Energy	2,343,000
360,040	371,000	Municipal Affairs	712,600
1,681,012	1,812,600	Public Service	1,842,100
50,181	59,300	Social Services	60,000
4,355,549	4,573,100	Tourism	5,059,200
31,780,075	34,383,000	Transportation	37,692,000
1,945,465,008	**2,136,991,600**		**2,380,581,800**
		ORDINARY RECOVERIES	
353,272	344,200	Agriculture and Marketing	359,400
19,567,960	20,801,400	Attorney General	23,280,800
5,169,437	3,421,500	Development	4,573,600
4,543,290	5,095,200	Education	5,412,000
6,139,329	6,350,000	Assistance to Universities	6,630,000
96,492	125,000	Environment	141,500
784,756	367,000	Finance	115,000
1,072,666	1,033,500	Fisheries	1,117,900
18,945,976	19,460,200	Health	19,869,400
—	—	Housing	948,500
19,752,822	24,194,300	Labour and Manpower	20,175,200
350,493	1,179,100	Lands and Forests	251,300
3,241,827	2,769,900	Mines and Energy	3,073,500
1,797,877	1,171,100	Municipal Affairs	65,000
1,119,527	1,393,200	Public Service	403,800
90,608,622	98,219,500	Social Services	108,702,500
55,749	148,900	Tourism	203,000
173,688,895	**186,824,800**		**195,322,400**

Ordinary Expenditures - Summary

Schedule 3

ACTUAL 1982-83	FORECAST 1983-84	DEPARTMENT AND SERVICE	ESTIMATE 1984-85
28,830,588	32,750,100	Agriculture and Marketing	34,785,200
37,272,591	41,221,200	Attorney General	44,167,400
2,800,197	2,957,400	Consumer Affairs	3,216,200
8,890,144	9,766,000	Culture, Recreation and Fitness	10,189,100
59,507,576	56,529,700	Development	53,731,800
502,376,056	541,823,700	Education	567,436,900
144,920,445	150,850,000	Assistance to Universities	161,773,000
7,934,462	7,165,200	Environment	7,474,500
32,672,588	42,429,300	Finance	46,049,300
335,484,529	371,191,600	Debt Charges	447,189,500
12,645,613	12,237,000	Fisheries	11,533,600
23,066,430	26,384,500	Government Services	30,373,000
620,732,033	699,635,100	Health	744,860,600
—	—	Housing	16,647,800
24,123,823	28,876,900	Labour and Manpower	25,997,200
19,761,328	27,067,600	Lands and Forests	26,912,300
34,966,656	9,860,400	Mines and Energy	11,091,000
73,187,722	62,106,100	Municipal Affairs	70,140,000
98,705,943	98,207,600	Public Service	79,476,700
220,905,527	240,739,000	Social Services	261,402,600
12,056,861	13,080,600	Tourism	13,574,000
86,914,205	102,283,200	Transportation	102,212,700
2,387,755,317	**2,577,162,200**		**2,770,234,400**

Capital Expenditures and Recoveries - Summary

Schedule 4

ESTIMATE OF EXPENDITURE AND RECOVERY OF THE PROVINCE OF NOVA SCOTIA CHARGEABLE TO CAPITAL ACCOUNT FOR THE FISCAL YEAR ENDING MARCH 31, 1985

ACTUAL 1982-83	FORECAST 1983-84	DEPARTMENT	ANTICIPATED CARRY FORWARD AVAILABLE FROM 1983-84	ESTIMATE 1984-85	TOTAL PROGRAM 1984-85
		CAPITAL EXPENDITURES			
		FURNITURE AND EQUIPMENT			
387,124	502,100	Agriculture and Marketing	786,900	501,300	1,288,200
135,852	144,400	Attorney General	—	191,500	191,500
—	56,000	Development	—	54,000	54,000
2,507,702	2,004,000	Education	—	3,343,400	3,343,400
107,302	140,000	Environment	—	250,000	250,000
58,252	26,100	Finance	—	72,000	72,000
—	35,000	Fisheries	8,000	49,000	57,000
458,289	1,000,000	Government Services	—	978,500	978,500
1,772	68,700	Health	—	86,600	86,600
2,809,678	350,000	Lands and Forests	50,000	602,000	652,000
140,533	100,000	Mines and Energy	—	280,000	280,000
—	—	Municipal Affairs	—	170,000	170,000
—	3,000	Public Service	—	70,000	70,000
1,773	23,500	Social Services	—	89,000	89,000
112,299	307,500	Tourism	—	221,000	221,000
—	—	Transportation	—	60,000	60,000
6,720,576	4,760,300		844,900	7,018,300	7,863,200
		OTHER			
426,581	793,100	Agriculture and Marketing	1,382,500	25,000	1,407,500
38,397,587	53,666,900	Development	—	56,252,800	56,252,800
18,300	7,000	Education	—	60,000	60,000
350,557	261,000	Environment	34,000	346,000	380,000
7,609,575	3,924,800	Lands and Forests	—	5,612,000	5,612,000
2,127,000	2,123,000	Public Service	—	6,100,000	6,100,000
—	450,000	Tourism	—	—	—
48,929,600	61,225,800		1,416,500	68,395,800	69,812,300
		CAPITAL GRANTS			
219,031	292,400	Attorney General	—	200,000	200,000
—	786,100	Development	—	500,000	500,000
6,275,204	5,300,000	Education	—	6,547,200	6,547,200
—	—	Assistance to Universities	—	3,053,000	3,053,000
20,068	2,330,000	Environment	180,000	2,065,000	2,245,000
16,204,240	11,967,900	Health	6,000,000	20,215,000	26,215,000
15,711,098	18,800,000	Municipal Affairs	1,600,000	24,479,000	26,079,000
6,890,000	6,775,000	Public Service	—	6,819,000	6,819,000
—	—	Social Services	—	25,000	25,000
4,441,067	8,110,000	Transportation	90,000	11,974,900	12,064,900
49,760,708	54,361,400		7,870,000	75,878,100	83,748,100

ACTUAL 1982-83	FORECAST 1983-84	DEPARTMENT	ANTICIPATED CARRY FORWARD AVAILABLE FROM 1983-84	ESTIMATE 1984-85	TOTAL PROGRAM 1984-85
95,218,565	120,700,000	TRANSPORTATION	11,100,000	129,574,400	140,674,400
19,285,076	17,276,000	PUBLIC WORKS AND SPECIAL PROJECTS	2,580,000	23,715,000	26,295,000
219,914,525	**258,323,500**	**Total Capital Expenditures**	**23,811,400**	**304,581,600**	**328,393,000**
		CAPITAL ADVANCES			
68,690	37,500	Agriculture and Marketing	—	37,500	37,500
68,690	**37,500**	**Total Capital Advances**	**—**	**37,500**	**37,500**
219,983,215	**258,361,000**	**Total to be Voted Under the Appropriations Act**	**23,811,400**	**304,619,100**	**328,430,500**
		CAPITAL RECOVERIES			
		FURNITURE AND EQUIPMENT			
276,000	74,000	Education	—	—	—
641,370	—	Lands and Forests	—	—	—
917,370	74,000		—	—	—
		OTHER			
27,410,382	40,621,900	Development	—	36,803,100	36,803,100
109,454	5,000	Lands and Forests	—	—	—
27,519,836	40,626,900		—	36,803,100	36,803,100
		CAPITAL GRANTS			
707,696	1,420,000	Transportation	—	1,685,900	1,685,900
7,053,675	8,581,000	TRANSPORTATION	—	11,035,400	11,035,400
355,207	190,000	PUBLIC WORKS AND SPECIAL PROJECTS	—	10,000,000	10,000,000
36,553,784	**50,891,900**	**Total Capital Recoveries**	**—**	**59,524,400**	**59,524,400**

Statutory Capital Items - Summary

Schedule 5

ACTUAL 1982-83	FORECAST 1983-84	CAPITAL ADVANCES AND INVESTMENTS	ESTIMATE 1984-85
		ADDITIONAL ADVANCES AND INVESTMENTS	
13,964,631	6,900,000	Fisheries Development Fund	7,000,000
11,176,000	7,500,000	Industrial Development Act	11,000,000
14,600,885	11,443,200	Industrial Estates Limited	19,059,000
5,093,631	2,500,000	Industrial Loan Act	5,500,000
---	---	Municipal Hospitals Loan Act	---
---	---	Municipal Loan and Building Fund Act	---
13,523,612	18,000,000	Nova Scotia Farm Loan Board	18,000,000
34,277,500	37,887,000	Nova Scotia Housing Commission	44,139,000
2,960,097	---	— Nova Scotia-Canada, Home Insulation Program	---
854,664	---	School Loan Fund Act	---
4,456,744	4,000,000	Small Business Development Fund	5,500,000
602,782	---	Tidal Power Act	---
1,830,097	2,000,000	Universities Assistance Act	1,000,000
1,682,490	1,000,000	Venture Corporations Act	2,000,000
96,888	1,039,800	Miscellaneous	---
105,120,021	**92,270,000**		**113,198,000**
		REPAYMENTS	
12,735,991	13,000,000	Fisheries Development Fund	14,500,000
3,196,692	6,500,000	Industrial Development Act	4,200,000
9,691,780	10,262,300	Industrial Estates Limited	10,514,000
2,567,468	3,600,000	Industrial Loan Act	3,600,000
257,250	248,200	Municipal Hospitals Loan Act	249,200
1,135,232	1,509,100	Municipal Loan and Building Fund Act	1,549,000
9,098,355	7,800,000	Nova Scotia Farm Loan Board	8,400,000
19,718,337	25,223,000	Nova Scotia Housing Commission	27,680,700
7,111,496	7,400,000	— Nova Scotia-Canada, Home Insulation Program	6,000,000
776,338	710,000	School Loan Fund Act	764,000
822,893	2,100,000	Small Business Development Fund	1,200,000
—	—	Tidal Power Act	---
1,729,588	3,953,000	Universities Assistance Act	—
—	—	Venture Corporations Act	—
7,155,193	4,945,000	Miscellaneous	5,113,300
75,996,613	**87,250,600**		**83,770,200**
3,041,723	**3,300,000**	CAPITAL EXPENDITURE	**3,100,000**

NOTE: Statutory Capital Items for which no vote is required under the Appropriations Act.

FINANCIAL STATISTICS

Historical Analysis of Gross Revenues

Schedule 6

FISCAL YEAR	GROSS REVENUES (millions of dollars)	ANNUAL PERCENT CHANGE	GROSS REVENUES (constant 1981 dollars)[1]	ANNUAL PERCENT CHANGE
1975-76	1,011	16.2	1,728	4.9
1976-77	1,154	14.1	1,835	6.2
1977-78	1,274	10.4	1,876	2.2
1978-79	1,421	11.5	1,923	2.5
1979-80	1,592	12.0	1,973	2.6
1980-81	1,763	10.7	1,983	0.5
1981-82	1,980	12.3	1,980	(0.2)
1982-83	2,175	9.8	1,963	(0.9)
1983-84 F	2,396	10.2	2,044	4.1
1984-85 E	2,635	10.0	2,141	4.7

1 Determined using the Consumer Price Index deflator.

F Forecast

E Estimate

NOTE: Gross Revenues include Ordinary Revenues, Ordinary and Capital Recoveries and Prior Years Adjustments.

Historical Analysis of Gross Expenditures

Schedule 7

FISCAL YEAR	GROSS EXPENDITURES (millions of dollars)	ANNUAL PERCENT CHANGE	GROSS EXPENDITURES (constant 1981 dollars)[1]	ANNUAL PERCENT CHANGE
1975-76	1,186	24.2	2,027	12.1
1976-77	1,254	5.7	1,994	(1.6)
1977-78	1,384	10.4	2,038	2.2
1978-79	1,650	19.2	2,233	9.6
1979-80	1,793	8.7	2,222	(0.5)
1980-81	2,095	16.8	2,357	6.1
1981-82	2,523	20.4	2,523	7.0
1982-83	2,685	6.4	2,423	(4.0)
1983-84 F	2,896	7.9	2,471	2.0
1984-85 E	3,198	10.4	2,598	5.1

1 Determined using the Consumer Price Index deflator.

F Forecast

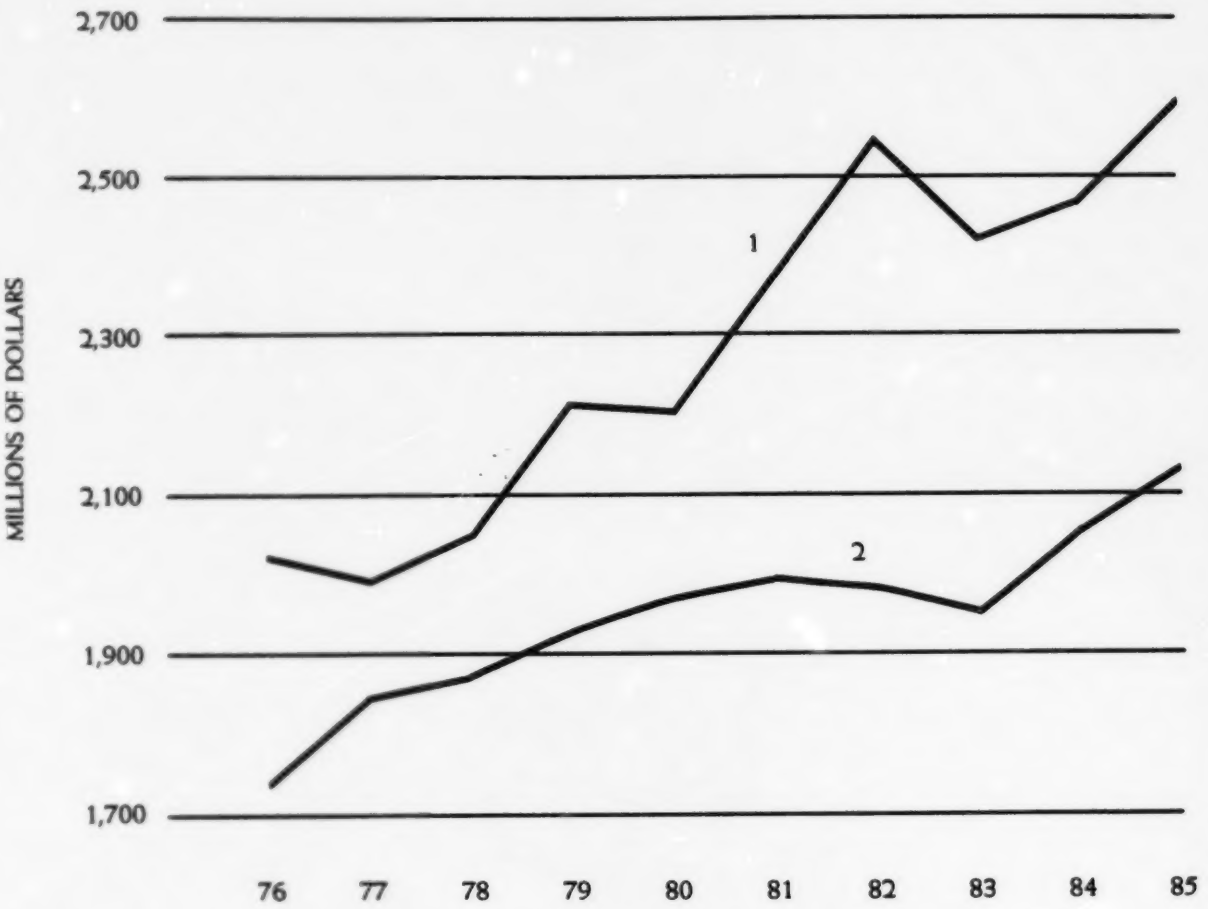
E Estimate

NOTE: Gross Expenditures include Ordinary and Capital Expenditures, Sinking Fund Installments and net increases in Capital Advances and Investments.

Comparison of Gross Revenues and Gross Expenditures

(constant 1981 dollars)

Chart 1



FISCAL YEAR ENDING MARCH 31

1 Gross Expenditures include Ordinary and Capital Expenditures, Sinking Fund Installments and net increases in Capital Advances and Investments.

2 Gross Revenues include Ordinary Revenues, Ordinary and Capital Recoveries and Prior Years Adjustments.

Historical Analysis of Gross Revenues by Source

Schedule 8

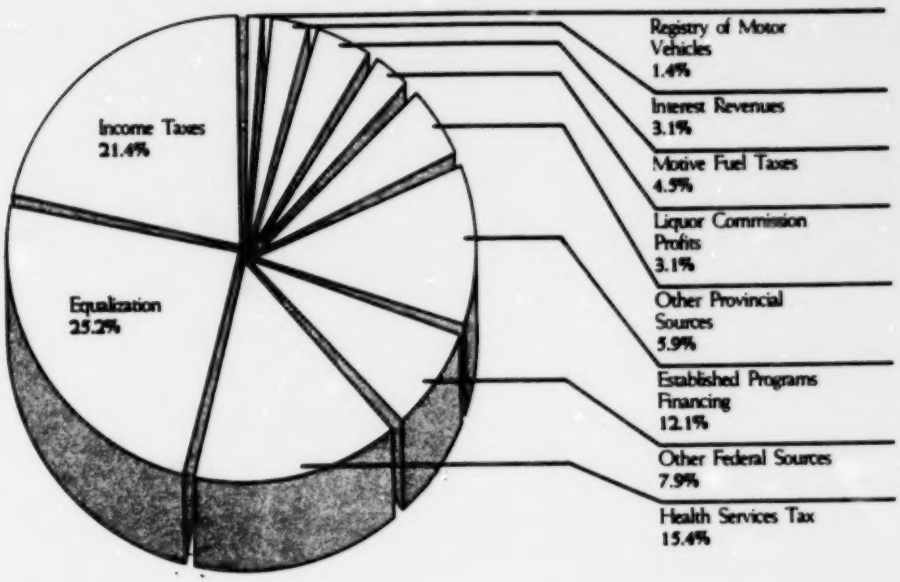
	1980-81	1981-82	1982-83	FORECAST 1983-84	ESTIMATE 1984-85
Provincial Sources (thousands of dollars)	928,621	1,023,518	1,176,843	1,313,576	1,512,329
Income Taxes	374,542	437,821	476,653	513,305	580,451
Health Services Tax	224,498	234,080	311,981	370,000	437,500
Motive Fuel Taxes	68,377	66,515	98,775	106,800	114,500
Liquor Commission Profits	60,042	64,820	68,299	73,100	79,300
Interest Revenues	63,259	63,481	76,187	75,281	76,240
Registry of Motor Vehicles	26,754	26,980	30,951	33,547	36,850
Other Provincial Sources	111,149	129,821	113,997	141,543	187,488
Federal Sources (thousands of dollars)	834,335	956,313	998,443	1,082,480	1,123,100
Equalization	454,163	549,572	616,572	602,818	617,957
Established Programs Financing	232,825	241,137	216,726	291,011	301,400
Other Federal Sources	147,347	165,604	165,145	188,581	203,743
Total Gross Revenues	**1,762,956**	**1,979,831**	**2,175,286**	**2,395,986**	**2,635,429**
Provincial Sources (as a percent of Total Gross Revenues)	52.7	51.7	54.1	54.8	57.4
Income Taxes	21.3	22.1	21.9	21.4	22.0
Health Services Tax	12.7	11.8	14.4	15.4	16.6
Motive Fuel Taxes	3.9	3.4	4.6	4.5	4.4
Liquor Commission Profits	3.4	3.3	3.1	3.1	3.0
Interest Revenues	3.6	3.2	3.5	3.1	2.9
Registry of Motor Vehicles	1.5	1.4	1.4	1.4	1.4
Other Provincial Sources	6.3	6.5	5.2	5.9	7.1
Federal Sources (as a percent of Total Gross Revenues)	47.3	48.3	45.9	45.2	42.6
Equalization	25.8	27.7	28.3	25.2	23.5
Established Programs Financing	13.2	12.2	10.0	12.1	11.4
Other Federal Sources	8.3	8.4	7.6	7.9	7.7
Total Gross Revenues	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

NOTE: Gross Revenues include Ordinary Revenues, Ordinary and Capital Recoveries and Prior Years Adjustments.

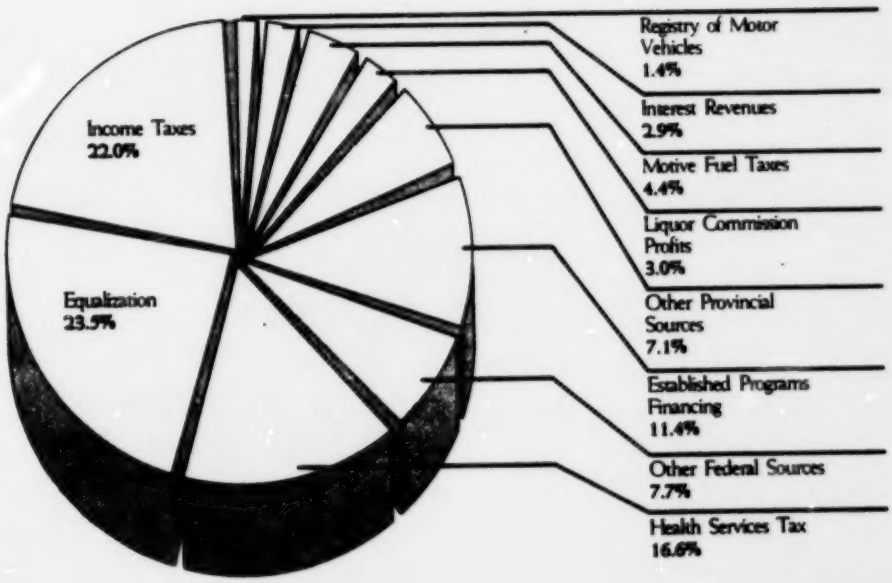
Gross Revenues by Source

Chart 2

1983-84



1984-85



NOTE: Gross Revenues include Ordinary Revenues, Ordinary and Capital Recoveries and Prior Years Adjustments.

Historical Analysis of Gross Expenditures by Function

Schedule 9

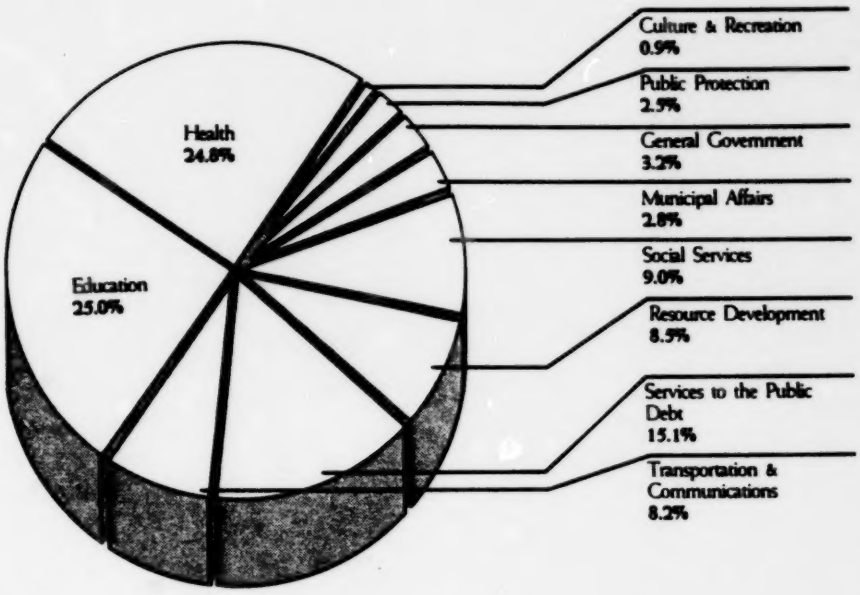
Function (thousands of dollars)	1980-81	1981-82	1982-83	FORECAST 1983-84	ESTIMATE 1984-85
General Government	66,273	77,747	80,636	92,450	103,635
Public Protection	47,801	57,068	61,319	71,037	74,324
Transportation and Communications	198,458	244,890	196,082	237,977	262,808
Resource Development	311,132	344,668	268,913	245,505	264,912
Health	456,383	561,220	649,220	718,648	782,218
Social Services	167,588	198,327	235,930	261,314	280,031
Education	453,078	559,023	675,529	724,782	768,285
Culture and Recreation	20,135	28,470	23,252	25,218	31,827
Services to the Public Debt	215,962	276,455	399,406	436,558	527,195
Municipal Affairs	158,045	175,305	94,684	82,297	102,354
Total Gross Expenditures	**2,094,855**	**2,523,173**	**2,684,971**	**2,895,786**	**3,197,589**
Function (as a percent of Total Gross Expenditures)					
General Government	3.1	3.1	3.0	3.2	3.2
Public Protection	2.3	2.3	2.3	2.5	2.3
Transportation and Communications	9.5	9.7	7.3	8.2	8.2
Resource Development	14.9	13.7	10.0	8.5	8.3
Health	21.8	22.2	24.2	24.8	24.5
Social Services	8.0	7.9	8.8	9.0	8.8
Education	21.6	22.1	25.1	25.0	24.0
Culture and Recreation	1.0	1.1	0.9	0.9	1.0
Services to the Public Debt	10.3	11.0	14.9	15.1	16.5
Municipal Affairs	7.5	6.9	3.5	2.8	3.2
Total Gross Expenditures	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

NOTE: Gross Expenditures include Ordinary and Capital Expenditures, Sinking Fund Installments and net increases in Capital Advances and Investments.

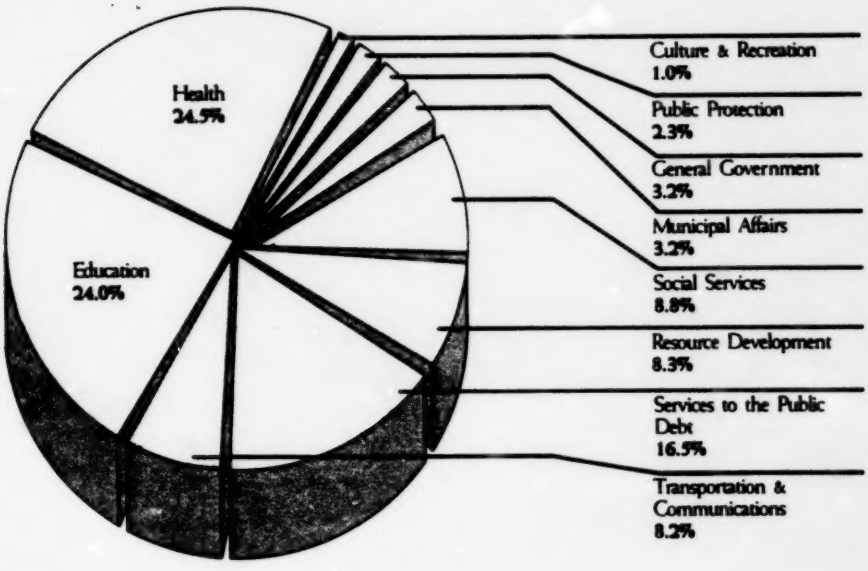
Gross Expenditures by Function

Chart 3

1983-84



1984-85



NOTE: Gross Expenditures include Ordinary Expenditures, (Current Operating) and Capital Expenditures, Sinking Fund Installments and net increases in Capital Advances and Investments.

Gross Ordinary Expenditures by Function

Schedule 10

Function (thousands of dollars)	1980-81	1981-82	1982-83	FORECAST 1983-84	ESTIMATE 1984-85
General Government	61,444	74,112	77,808	89,046	98,204
Public Protection	43,981	54,288	60,332	69,725	72,082
Transportation and Communications	87,469	103,489	93,204	105,864	105,341
Resource Development	185,953	198,819	193,396	174,190	173,918
Health	442,635	538,809	622,228	701,107	746,850
Social Services	166,702	198,211	235,930	261,135	279,841
Education	443,537	548,543	660,413	712,140	745,130
Culture and Recreation	17,394	20,948	21,541	23,438	24,668
Services to the Public Debt	215,962	276,455	399,406	436,558	527,195
Municipal Affairs	136,657	138,313	68,565	55,903	63,402
Total Ordinary Expenditures	**1,801,734**	**2,151,987**	**2,432,823**	**2,629,106**	**2,836,631**

NOTE: Includes Ordinary Expenditures and Sinking Fund Installments.

Gross Capital Expenditures by Function

Schedule 11

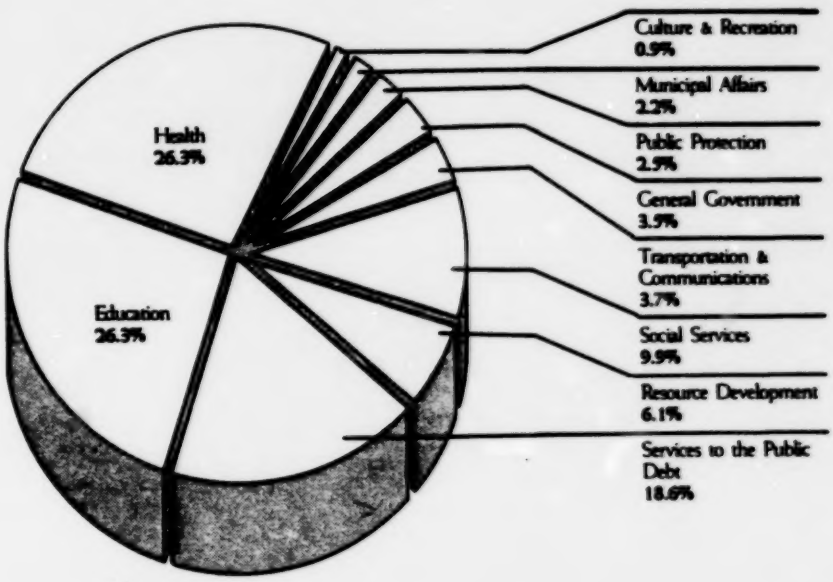
Function (thousands of dollars)	1980-81	1981-82	1982-83	FORECAST 1983-84	ESTIMATE 1984-85
General Government	4,829	3,635	2,828	3,404	5,431
Public Protection	3,820	2,780	967	1,312	2,242
Transportation and Communications	110,989	141,401	102,878	132,113	157,467
Resource Development	125,179	145,849	75,517	71,315	90,994
Health	13,748	22,411	26,992	17,541	35,368
Social Services	886	116	—	179	190
Education	9,541	10,480	15,116	12,642	23,155
Culture and Recreation	2,741	7,522	1,711	1,780	7,159
Municipal Affairs	21,388	36,992	26,139	26,394	38,952
Total Capital Expenditures	**293,121**	**371,186**	**252,148**	**266,680**	**360,958**

NOTE: Includes Capital Expenditures and net increases in Capital Advances and Investments.

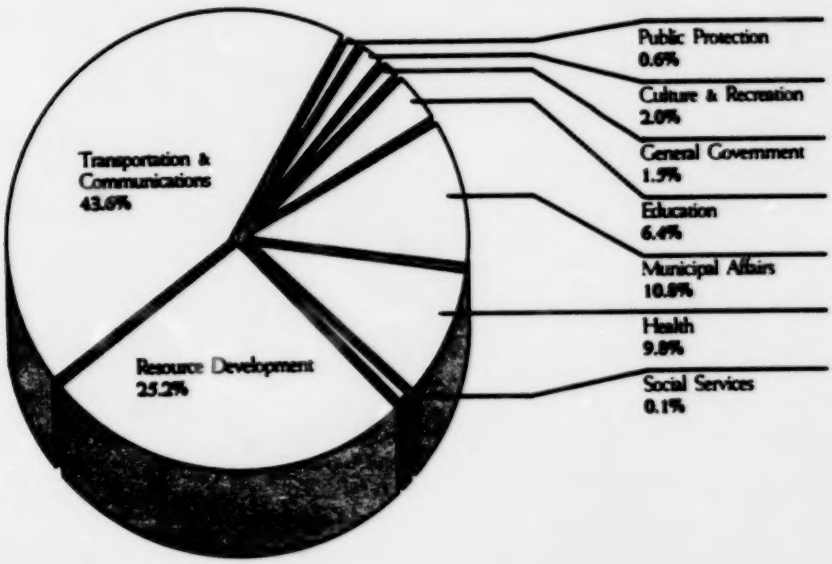
Gross Ordinary and Capital Expenditures By Function

Chart 4

ORDINARY EXPENDITURES
1984-85



CAPITAL EXPENDITURES
1984-85



AS A PERCENT OF TOTAL GROSS EXPENDITURES

Transfer Payments from the Government of Canada

Schedule 12

(millions of dollars)

FISCAL YEAR	UNCONDITIONAL TRANSFERS [1]	CONDITIONAL TRANSFERS [2]	TOTAL TRANSFERS	ANNUAL PERCENT CHANGE	PERCENT OF TOTAL ORDINARY REVENUES AND ORDINARY AND CAPITAL RECOVERIES
1974-75	238	153	391	14.3	46.7
1975-76	292	198	490	25.3	50.2
1976-77	338	227	565	15.3	49.4
1977-78 *	514	106	620	9.7	48.8
1978-79	568	138	706	13.9	49.9
1979-80	634	133	767	8.6	49.1
1980-81	685	146	831	8.3	48.0
1981-82	777	126	903	8.7	46.7
1982-83	828	128	956	5.9	44.4
1983-84 F	894	139	1,033	8.1	43.5
1984-85 E	923	146	1,069	3.5	40.6

1 Unconditional Transfers which currently include Equalization Payments, Established Programs Financing Cash Transfers and Statutory Subsidies, constitute those payments from the Federal Government that may be spent in any manner.

2 Conditional Transfers constitute those payments from the Federal Government that must be spent on the specific programs for which the transfers are made. In essence, the Conditional Transfers pertain to shared-cost programs.

* The substantial change in conditional and unconditional transfers in 1977-78 reflects new arrangements with the Federal Government respecting the financing of Health programs and Post-Secondary Education. Prior to April 1, 1977, the financing of these Established Programs was on a cost-sharing basis and the Federal Government's contributions were considered to be Conditional Transfers. Beginning in 1977-78, the Federal contributions towards these programs were block funded and took the form of an Unconditional Transfer to the Province of tax points combined with cash payments.

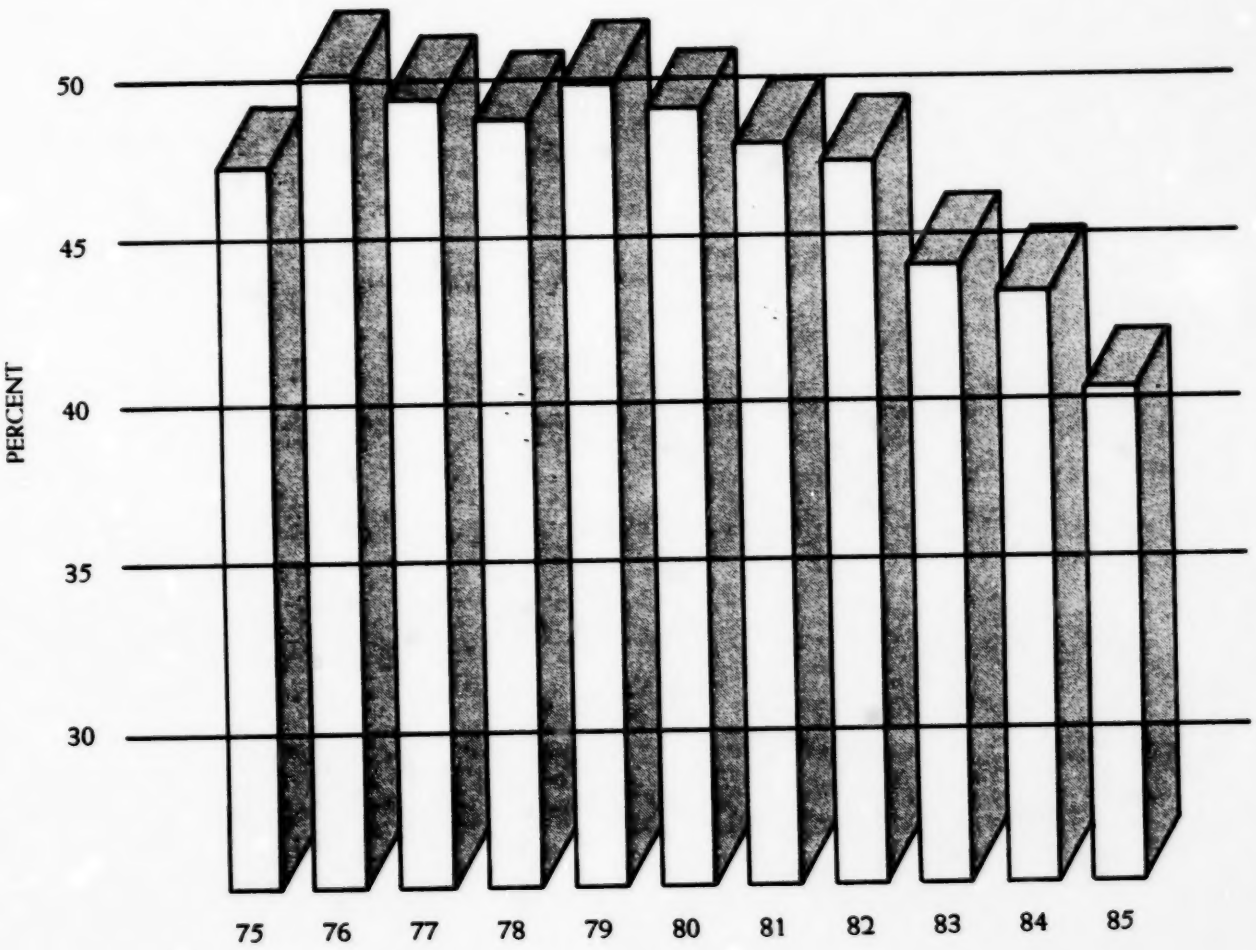
F Forecast

E Estimate

NOTE: Does not include Prior Years Adjustments.

Transfers from the Government of Canada as a Percent of Ordinary Revenues and Ordinary and Capital Recoveries

Chart 5



Summary of Ordinary Revenues and Expenditures by Source and Function

Schedule 13

(thousands of dollars)

	ESTIMATE 1983-84	FORECAST 1983-84	ESTIMATE 1984-85
ORDINARY REVENUES AND RECOVERIES BY SOURCE			
Provincial Sources			
Income Taxes	504,203	501,213	580,451
Health Services Tax	354,500	370,000	437,500
Motive Fuel Taxes	106,800	106,800	114,500
Liquor Commission Profits	75,300	73,100	79,300
Interest Revenues	83,594	75,281	76,240
Registry of Motor Vehicles	34,731	33,547	36,850
Other Provincial Sources	133,528	129,691	182,835
Federal Sources			
Equalization	618,000	602,630	617,957
Established Programs Financing	274,804	287,976	301,400
Other Federal Sources	153,148	142,778	148,872
Total Ordinary Revenues and Recoveries	**2,338,608**	**2,323,016**	**2,575,905**
ORDINARY EXPENDITURES BY FUNCTION			
General Government	90,807	89,046	98,204
Public Protection	67,550	69,725	72,082
Transportation and Communications	101,526	105,864	105,341
Resource Development	176,382	174,190	173,918
Health	698,889	701,107	746,850
Social Services	256,333	261,135	279,841
Education	700,148	712,140	745,130
Culture and Recreation	23,291	23,438	24,668
Interest on the Public Debt	414,575	384,615	460,799
Municipal Affairs	57,620	55,903	63,402
Total Ordinary Expenditures	**2,587,121**	**2,577,162**	**2,770,235**
Prior Years Adjustments — Federal-Provincial Fiscal Arrangements	—	22,078	—
Excess of Current Operating Expenditures over Revenues and Recoveries	248,513	232,068	194,330
Sinking Fund Installments and Serial Retirements	52,401	51,944	66,396

ECONOMIC INDICATORS

Gross Domestic Product at Market Price

Schedule 14

(millions of dollars)

YEAR	NOVA SCOTIA[1]	ANNUAL PERCENT CHANGE	CANADA[1]	ANNUAL PERCENT CHANGE
1974	3,558.4	13.9	150,406.7	20.0
1975	3,989.1	12.1	168,185.7	11.8
1976	4,622.0	15.9	194,902.0	15.9
1977	5,042.0	9.1	213,536.0	9.6
1978	5,633.0	11.7	238,219.0	11.6
1979	6,271.0	11.3	272,175.0	14.3
1980	6,524.0	4.0[2]	305,680.0	12.3
1981	7,332.0	12.4	351,576.0	15.0
1982	8,319.0	13.5	369,605.0	5.1
1983	9,248.0 p	11.2	403,952.0 p	9.3
1984	9,972.0 p	7.8	436,981.0 p	8.2

1 Source - Statistics Canada: "Provincial Economic Accounts"

2 Gross Domestic Product at market price represents the value added by each of the factors of production plus indirect taxes less subsidies. The substantial increase in the value of subsidies paid to importers of crude oil and petroleum products in 1980 in Nova Scotia had a proportionately greater impact on Nova Scotia Gross Domestic Product at market price than the impact of such subsidies on Gross Domestic Product at market price for Canada as a whole.

p Preliminary Projections; Source: Nova Scotia Department of Development

Consumer Price Index

(1981 = 100.00)

Schedule 15

YEAR	HALIFAX[1]	ANNUAL PERCENT CHANGE	CANADA[1]	ANNUAL PERCENT CHANGE
1974	53.6	9.8	52.8	10.9
1975	59.0	10.1	58.5	10.8
1976	63.9	8.3	62.9	7.5
1977	68.9	7.8	67.9	7.9
1978	74.2	7.7	73.9	8.8
1979	80.8	8.9	80.7	9.2
1980	89.4	10.6	88.9	10.2
1981	100.0	11.9	100.0	12.5
1982	109.6	9.6	110.8	10.8
1983	116.8	6.6	117.2	5.8
1984	122.7 p	5.1	123.1 p	5.0

1 Source - Statistics Canada: "The Consumer Price Index"

p Preliminary Projections; Source: Nova Scotia Department of Development

NOTE: The Consumer Price Index measures the percentage change through time in the cost of purchasing a constant "basket" of goods and services representing the purchases made by a particular population group in a specified time period. The Consumer Price Index used in this table is an annual average of the monthly indices.

Personal Income Per Capita

(dollars)

Schedule 16

YEAR	NOVA SCOTIA[1]	ANNUAL PERCENT CHANGE	CANADA[1]	ANNUAL PERCENT CHANGE
1974	4,156.0	17.2	5,226.0	17.8
1975	4,749.0	14.3	6,001.0	14.8
1976	5,292.0	11.4	6,747.0	12.4
1977	5,868.0	10.9	7,370.0	9.2
1978	6,560.0	11.8	8,143.0	10.5
1979	7,286.0	11.1	9,069.0	11.4
1980	8,018.0	10.0	10,163.0	12.1
1981	9,068.0	13.1	11,810.0	16.2
1982	10,090.0	11.3	12,839.0	8.7
1983	10,827.0 p	7.3	13,431.0 p	4.6
1984	11,527.0 p	6.5	14,233.0 p	6.0

1 Source - Statistics Canada: "National Income and Expenditure Accounts"

p Preliminary Projections; Source: Nova Scotia Department of Development

Labour Force

(thousands of persons)

Schedule 17

YEAR	NOVA SCOTIA[1]	ANNUAL PERCENT CHANGE	CANADA[1]	ANNUAL PERCENT CHANGE
1974	313.0	6.1	9,639.0	3.9
1975	317.0	1.3	9,974.0	3.5
1976	322.0	1.6	10,203.0	2.3
1977	327.0	1.6	10,500.0	2.9
1978	338.0	3.4	10,895.0	3.8
1979	346.0	2.4	11,231.0	3.1
1980	356.0	2.9	11,573.0	3.0
1981	359.0	0.8	11,904.0	2.9
1982	361.0	0.6	11,958.0	0.5
1983	369.0	2.2	12,183.0	1.9
1984	376.0 p	1.9	12,293.0 p	0.9

1 Source - Statistics Canada: "Historical Labour Force Statistics"

p Preliminary Projections; Source: Nova Scotia Department of Development

Employment
(thousands of persons)

Schedule 18

YEAR	NOVA SCOTIA[1]	ANNUAL PERCENT CHANGE	CANADA[1]	ANNUAL PERCENT CHANGE
1974	292.0	6.2	9,125.0	4.2
1975	292.0	—	9,284.0	1.7
1976	292.0	—	9,477.0	2.1
1977	292.0	—	9,651.0	1.8
1978	303.0	3.8	9,987.0	3.5
1979	311.0	2.6	10,395.0	4.1
1980	321.0	3.2	10,708.0	3.0
1981	322.0	0.3	11,006.0	2.8
1982	313.0	(2.8)	10,644.0	(3.3)
1983	320.0	2.2	10,734.0	0.8
1984	329.0 p	2.8	10,959.0 p	2.1

1 Source - Statistics Canada: "Historical Labour Force Statistics"

p Preliminary Projections; Source: Nova Scotia Department of Development

Unemployment
(thousands of persons)

Schedule 19

YEAR	NOVA SCOTIA[1]		CANADA[1]	
	UNEMPLOYED	UNEMPLOYMENT RATE %	UNEMPLOYED	UNEMPLOYMENT RATE %
1974	21.0	6.8	514.0	5.3
1975	24.0	7.7	690.0	6.9
1976	31.0	9.5	726.0	7.1
1977	35.0	10.6	849.0	8.1
1978	36.0	10.5	908.0	8.3
1979	35.0	10.1	836.0	7.4
1980	35.0	9.7	865.0	7.5
1981	36.0	10.2	898.0	7.5
1982	47.0	13.2	1,314.0	11.0
1983	49.0	13.2	1,448.0	11.9
1984	47.0 p	12.4	1,346.0 p	10.9

1 Source - Statistics Canada: "Historical Labour Force Statistics"

p Preliminary Projections; Source: Nova Scotia Department of Development

NOTE: The Unemployment Statistics shown in this table are annual averages of the monthly indices.

BUDGET ADDRESS

POOR

QUALITY

ORIGINAL